Weekly Economic Review

Alberta's employment falls

Employment

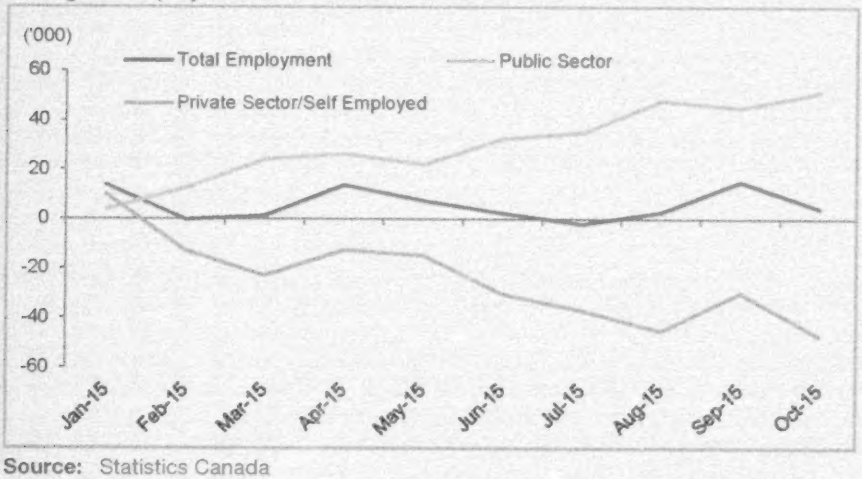
Large job losses in October

The province lost 10,800 jobs in October, the largest decline since February 2015 (Chart 1). Employment growth slowed to 0.6% year-over-year (y/y) and the unemployment rate ticked up by 0.1 percentage points to 6.6%. The industries with the largest losses were in the goods sector, including natural resources (-4,500) and manufacturing (-2,200). Within the service sector, trade (-3,600) and other services (-4,500) saw the biggest declines. All job losses were full-time. Private sector employment fell by 17,800, more than offsetting gains of 6,400 in the public sector.

Nationally, employment increased by 44,400, the largest gains since May 2015. Growth was led by Ontario (+29,200) and BC (+23,300). The unemployment rate ticked down to 7.0%.

Chart 1: Private sector job losses overwhelm Alberta's labour market

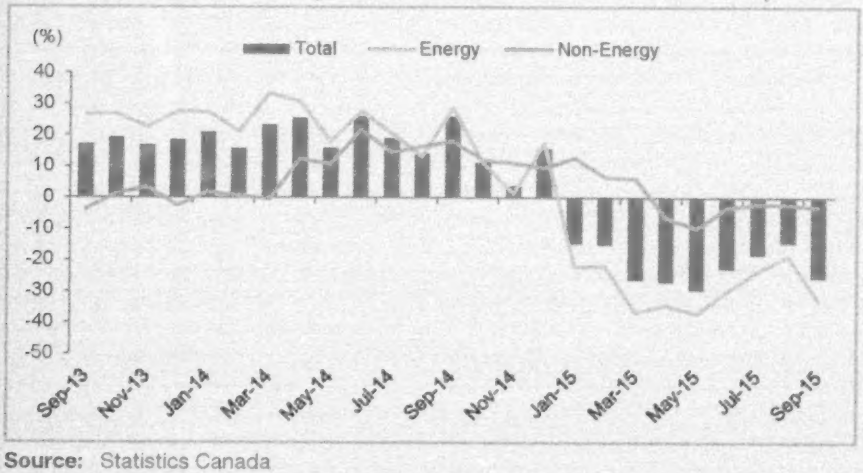
Change in employment since December 2014



Source: Statistics Canada

Chart 2: Energy product exports remain weak

Year-over-year percent change in Alberta international merchandise exports



Source: Statistics Canada

Railcar Loadings

Car loadings still soft

There were 152,000 railcars loaded in Western Canada during August, a 4.1% y/y decline. Crude oil car loadings continued to rebound after bottoming out in April, but remain 10% below the August 2014 level. Agricultural and food shipments contracted by 14% y/y as wheat shipments declined 30% and canola fell 6.4%. Coal shipments continued to shrink, down by 9.9% y/y. Year-to-date, car loadings were down 1%.

Merchandise trade

Energy weighs on exports

Alberta's international goods exports fell 26% y/y to $8.0 billion in September (Chart 2). Low oil prices continue to weigh on energy exports, which were down 33% y/y. They account for nearly 70 percent of exports. Non-energy exports are down 3.1% y/y. The weak export activity encompassed industrial machinery (-27%), food products (-4.8%) and metal and non-metalic mineral exports (-22%). Year-to-date, exports were down by 22%.

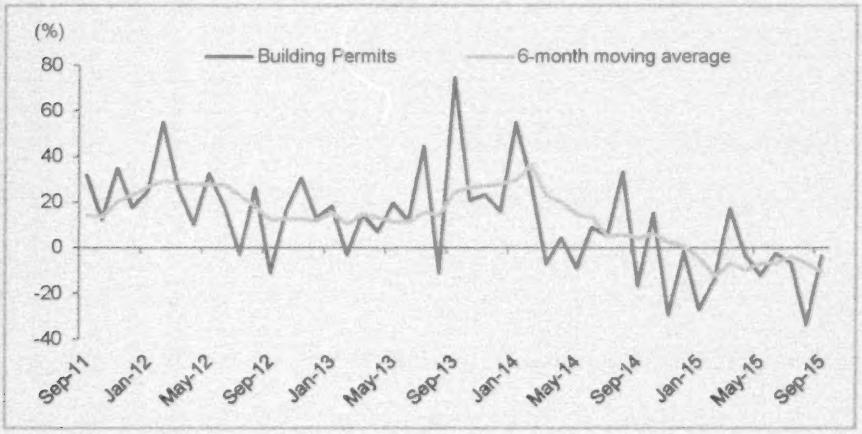
Building Permits

Weakening family home building weighs on permit issues

Building permits issued by Alberta municipalities in September totaled $1.4 billion, down 4% from September 2014. Residential permits contracted 14% y/y, mostly owing to single family homes. Single family permit issues have fallen below 2012 levels, whereas apartment and condominium permit issues were at record highs. Non-residential permit values were up 13% y/y as permits for office buildings and schools were issued for planned commercial and government building projects. The weakness has been concentrated in Calgary where permits were down 4.7% (y/y). Edmonton has fared better, with building permits up 22% year-over-year.

Chart 3: Value of building permits declines further

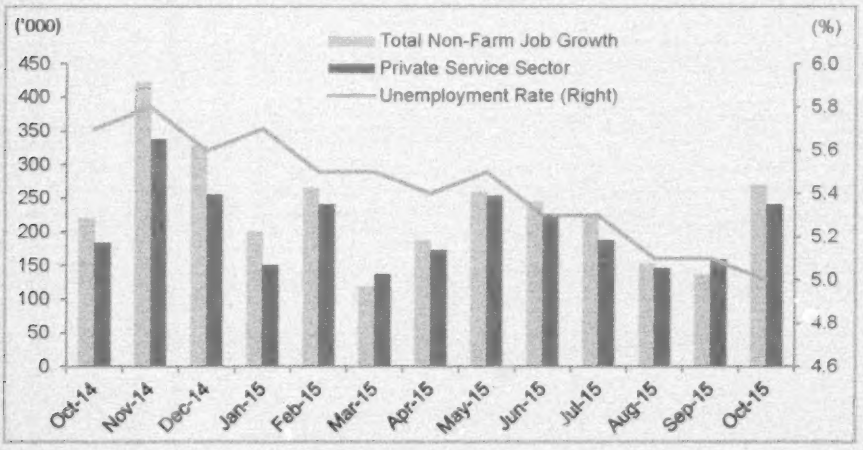
Year-over-year percent change in Alberta building permit values



Source: Statistics Canada

Chart 4: Private sector services leading job growth

Monthly changes in non-farm jobs and unemployment rate



Source: Bureau of Labor Statistics

Year-to-date residential building permits were down 10% and non-residential is down 8%. The long-term trend in Alberta's building permit issuance has been steadily deteriorating (Chart 3).

International Travel

End of summer slowdown in travel

There were 124,817 international travellers that directly entered Alberta in August, down 6.4% year-over-year. This decrease was for both American visitors and other foreign travellers, which were down by 2.4% y/y and 14% y/y respectively. The weaker Loonie is making travel abroad more expensive for Canadians and reducing international travel. The number of Canadians returning home through Alberta fell by 13% (y/y) in August.

US Employment

Job growth rebounds

Following two slow months, the US labour market rebounded in October, adding 271,000 jobs. The unemployment rate fell 0.1 percentage points to 5% (Chart 4). Professional and business services, education and health, retail trade and leisure and hospitality services were the strongest job creators. Goods producing industries also added 27,000 jobs, mostly in construction. Manufacturing employment was flat after losing 28,000 jobs in the two preceding months. The mining industry extended its job loss streak to ten months, losing another 4,500 positions and bringing total losses for 2015 up to 109,000.

Contact

Nachum Gabler 780.638.3238

Please see the *Alberta Economy - Indicators at a Glance* for a snapshot of Alberta indicators.